

# MEMORANDUM

[51a]

Of Agreement made the seventeenth day of March, A.D., 1902, between Marconi's Wireless Telegraph Company, Limited, a body corporate and politic, and The Marconi International Marine Communication Company, Limited, a body corporate and politic (hereinafter called 'the companies'), of the first part; and His Majesty King Edward Seventh, represented herein by the Right Honourable Sir Wilfrid Laurier, G.C.M.G., President of the King's Privy Council for Canada, who, as well as his successor in office, for the time being is hereinafter referred to as 'the Minister,' His Majesty so represented being hereinafter called 'the Government,' of the second part.

Whereas the companies have represented that they believe that a material reduction in the rates for telegraph messages between Canada and other countries, especially the United Kingdom of Great Britain and Ireland, can be attained by the use for their transmission of the companies' system of 'wireless telegraphy,' commonly known as 'The Marconi System';

And whereas such a reduction would be of great advantage to Canada;

Now, this agreement witnesseth that the companies and the Government covenant and agree to and with each other in manner following, that is to say:—

1. The companies agree to erect two wireless telegraph stations, one in some part of the United Kingdom of Great Britain and Ireland, and the other in some part of Nova Scotia, in Canada, the object of which, should the undertaking prove to be successful, is to carry on communication on a commercial basis between Canada and the United Kingdom of Great Britain and Ireland and the continent of Europe.

2. The Government agrees to pay to the companies the sum of eighty thousand dollars (\$80,000), or such lesser sum as may be required for the purpose of the erection of the said station in Nova Scotia, according to plans and specifications to be approved by Mr. G. Marconi. If the cost of the station should be greater than eighty thousand dollars (\$80,000) the excess is to be paid by the companies, so that the cost to the Government shall not in any event exceed the said sum of eighty thousand dollars (\$80,000).

3. The said payments so to be made by the Government to the companies shall be made monthly as the construction of the said station progresses, upon vouchers to be submitted by the companies to the Government of payments made and work done, and the Government shall be afforded every facility to satisfy itself that such payments represent only the fair and reasonable value of the work done. Such payments by the government shall be made to a banking account to be opened in the name of 'Marconi's Wireless Telegraph Company, Limited,' at the agency of the Bank of Nova Scotia at the town of North Sydney, Cape Breton.

4. The Government undertakes that all messages received by the companies or intended for transmission by the companies at or from the said station in Nova Scotia, or any other station or stations which may be established by the companies, or either of them, in Canada, shall be sent over all Government lines of telegraph in Canada now in operation or that may hereafter be constructed or operated by the Government at rates not higher than those charged to other telegraph companies from time to time for the transmission of ordinary commercial messages.

5. If the companies enter into any arrangement with companies operating telegraph lines in Canada respecting the division of rates on through messages, the companies will grant not less favourable terms for similar arrangements with the Government land lines now in operation or that may hereafter be established.



6. In consideration of the payments to be made by the Government under the terms of this agreement the companies undertake, if their operations prove successful, to transmit general messages to and fro between any station or stations which they may establish on the Atlantic coast of Canada for that purpose and any corresponding station or stations which they may establish on the coast of the United Kingdom of Great Britain and Ireland, at rates which shall be fully sixty per cent less than the rates now charged for cablegrams between the Atlantic coast of Canada and the coast of the United Kingdom of Great Britain and Ireland, that is to say, that whereas the rate per word for such messages is now twenty-five cents, the companies undertake to charge not more than ten cents per word for such messages; the companies further agree that Government messages and messages for the press shall be transmitted at a shore to shore rate not exceeding five cents per word, and further that the rates to be charged for messages between the Atlantic coast of Canada and the coast of the United Kingdom of Great Britain and Ireland shall not in any case exceed the rates charged for similar messages between the coast of the United Kingdom of Great Britain and Ireland and any other part of the Atlantic coast of the continent of North America.

7. The companies will, as far as possible, use Canadian machinery, material and labour in the construction of said station in Nova Scotia.

8. If the Government desires to use the Marconi system for communication with any of its lighthouses or life-saving stations on the coast, or between the mainland and any island within the jurisdiction of Canada, or with any ships passing to and fro, or in any way to assist in its operations for the protection of life and property on the sea coast or inland waters of Canada, or for the improvement or assistance of navigation, the Government shall be free to erect all such stations as it may require for such purpose, and the companies shall be bound to furnish all machinery and apparatus required for such stations at fair and reasonable prices, free from any charge for patent rights or royalties thereon, it being understood that the assistance hereby provided by the Government shall cover and include all charges for such patent rights or royalties.

9. Such station or stations, when established by the Government, shall receive all messages transmitted from ships equipped with the 'Marconi System,' and deliver them to the connecting land lines without any charge, and the tolls for all such messages shall be collected by the agents of the companies on board the ship or ships from which they are transmitted and shall belong to and be the property of the companies. The Government shall be entitled to receive for its own use all tolls collected at such station or stations so erected by it for messages transmitted to any ship or ships passing to and fro.

10. Whenever the Government requires a station or stations for any of the purposes specified in clause eight of this agreement, it shall before proceeding to erect the same notify the companies of its requirements and it shall thereupon be optional with the companies to erect, maintain and operate such station or stations at their own expense, if within one calendar month after being so notified, they notify the Government of their intention so to do, in which event the work of establishing such station or stations shall forthwith be put in hand and executed with all reasonable despatch, and the companies shall thereafter maintain and operate the same in an adequate and sufficient manner for the purposes for which the same are required.

11. Should the companies, after notifying the Government of their intention to exercise their option of erecting, maintaining and operating any such station, make default in establishing the same with reasonable despatch, or in maintaining and operating the same in an adequate and sufficient manner for the purposes for which it is required, the Government shall be at liberty upon one month's notice to the companies, to erect or complete the erection of such station themselves, or to take over, maintain and operate the same, in which case the Government shall pay to the companies the value of the property of the companies so taken over, such value in case of difference to be fixed by arbitration, an arbitrator to be named by each party, and a third by the two so named; and in every such case the provisions of clauses 8 and 9 of this agreement shall apply to such station and its erection and operation.



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12. Such station or stations when established by the companies shall receive all messages transmitted from any ship or ships equipped with the 'Marconi System,' and shall deliver them to the connecting land lines without charge, and the tolls for such message or messages shall be collected by the agents of the companies on board the ship or ships from which they have been transmitted and shall belong to and be the property of the companies. The companies shall furthermore be entitled to receive for their own use all tolls collected at such station or stations for messages transmitted from such station or stations to ships passing to and fro; provided that no such last mentioned tolls shall be levied or collected until the rates thereof have been approved by the Governor in Council.

13. Any lighthouse or station maintained by the Government on the coast of Newfoundland shall be deemed for the purpose of this agreement to be a part of Canada, and all privileges which the companies are bound to grant to the Government in Canada under the terms of this agreement, shall extend to such lighthouse, station or stations in so far as the companies have the power to grant the same at such places.

14. The companies shall not be bound to accept messages in the United Kingdom of Great Britain and Ireland for wireless transmission by 'The Marconi System' by way of Canada to destinations in the United States of America, or to any other part of the continent of America outside of Canada, to the prejudice of the interests of any government or company which may acquire the right to receive wireless messages by the 'Marconi System' in the United States of America, or in such other part of the continent of America outside of Canada direct from the United Kingdom of Great Britain and Ireland.

In witness whereof these presents have been executed by the companies and on behalf of His Majesty by the Minister.

Marconi's Wireless Telegraph Company, Limited.

The Marconi International Marine Communication Company, Limited.

By G. MARCONI,

The Attorney of the said Companies.

WILFRID LAURIER.

Signed and delivered in presence of witness to execution by the Companies.

E. L. NEWCOMBE.

Witness to Sir Wilfrid's signature, .

E. L. NEWCOMBE.



